Alberta Gaming Commission

Annual Review 1987

89-01657/

Alberta
GAMING COMMISSION

Chairman

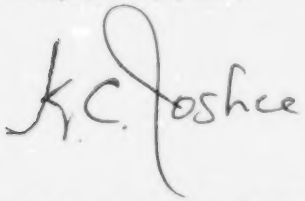
5th Floor South, John E. Brownlee Building, 10365 - 97 Street, Edmonton, Alberta, Canada T5J 3W7 403/427-9796

The Honourable James D. Horsman, Q.C.
Attorney General of Alberta
320 Legislature Building
Edmonton, Alberta
T5K 2B6

Dear Mr. Horsman:

I am pleased to present the Alberta Gaming Commission's Annual Review for the year ending December 31, 1987.

Respectfully yours,



Krishan C. Joshee, C.M.
Chairman

The Role of the Commission

The Alberta Gaming Commission is the provincial authority for licencing charitable and religious organizations to conduct and manage bingos, casinos, raffles and pull-ticket sales. The Commission was established in 1981, pursuant to Order in Council 124/81, in accordance with Section 190 of the Criminal Code (see Appendix A).

The Commission is charged with the responsibility to:

1. Conduct licencing in a fair and equitable manner and, through its established hearing process, resolve all issues related to a licence application or an organization's compliance with terms and conditions of licence (see Appendix B);
2. Provide the public with information concerning the licencing, conduct and management of gaming events; and
3. Review policies related to licencing, conduct and management of gaming events.

Independent of the Commission is the Gaming Control Branch of the Department of the Attorney General which is charged with the responsibility to:

1. Review licence applications, making recommendations to the Commission regarding licencing.
2. Provide technical and professional gaming advice to the Commission.
3. Audit the required financial reports and enforce terms and conditions of licence and related Criminal Code provisions.

1987 Commission Members

Krishan C. Joshee, C.M.
CHAIRMAN

Jo Anne Murray
CALGARY

Rod Dormer
THREE HILLS

Robert J. Giesbrecht
LETHBRIDGE

Eric F. Jerrard
GRANDE PRAIRIE

Larry W. Yuzda
CALGARY

IN MEMORIAM
Ron G. Steele
STONY PLAIN
1945-1988

Review of 1987

During 1987, the Commission received approximately 7300 applications for licence. Following the application review process, 6989 licences were issued. Total gross gaming revenue for the year was $437.0 million, an increase of 8.5 per cent over 1986. After payment of prizes and expenses, Alberta's charitable and religious organizations retained $72.0 million to be used in support of their various community activities.

Commission Changes

While the review was being prepared for printing, one of the Commission members, Mr. Ron Steele, suffered a fatal heart attack. Mr. Steele served on the Citizen's Task Force on Gaming and was appointed in 1981 as one of the original members of the Commission. His sound judgement and deep understanding of Alberta's countryside will be missed greatly by his fellow Commissioners.

Commission Hearings

Regular hearings, scheduled normally two days each month, were held in Calgary and Edmonton, with additional dates as the workload required. Hearings were also held in Fort McMurray, Lethbridge, Peace River, Pincher Creek, Red Deer and St. Paul. In total, the Commission heard 143 individual cases concerning a variety of issues (Appendix C), a sample of which is contained in the "Selected Commission Cases" section.

Bingos

In 1987, 2396 bingo licences were issued, an increase of 10.9 per cent over 1986. Total gross revenue was $198.4 million, net profit was $29.0 million, representing growth rates of 18.7 and 9.8 per cent respectively.

While the overall revenue figures for bingo continued to increase, the rate of growth has slowed. The number of new bingo associations reviewed during the year decreased from 15 to nine. Four associations ceased operations during the year — three in Edmonton and one in Calgary. By the end of the year, an Edmonton association whose hall had been destroyed by fire in late 1986 had not yet completed preparations for a new hall.

The Commission dealt with a number of policy-related issues through the hearing process; details are discussed in the "Selected Commission Cases" section. These included a request to raise the $15,000 limit on prize payout per event (Case 87-11); a proposal to operate a large scale media bingo (Case 87-63); a review of the policy interpretation of what constitutes "community" as it affects where an organization may conduct bingo (Case 87-44); and a proposal to use bingo equipment of an advanced design (Case 87-74).

In addition, issues dealing with violations of terms and conditions of licence were also the subject of Commission hearings. In one case, the awarding of non-approved prizes by a bingo association was reviewed (Case 87-33); and in five cases, the role of volunteer bingo workers was considered (Cases 87-46, -133, -156, -157). A number of these cases resulted in disciplinary actions being taken against the licensees.

In July of 1985, after extensive consultation, the Commission issued terms and conditions of bingo licence specifically designed to deal with the special conditions found in association bingo. Since that time, the number of bingo associations has grown steadily. By mid-1987, to evaluate whether these terms and conditions continued to meet the changing needs of large-scale bingo, an internal review was initiated. Following the review, the Chairman of the Commission met with presidents of many bingo associations to exchange views on areas of concern and discuss draft proposals for amendments to the existing terms and conditions. On the basis of these consultations, revisions to the draft terms and conditions were in preparation by year's end. These were to be circulated to all bingo associations for comment.

Casinos

During the year, 611 licences were issued, an increase of 3.6 per cent over 1986; total gross revenue grew to $114.1 million, an increase of 4.8 per cent. Net profits from casino operations rose to $13.4 million from $13.3 million the previous year.

In January, the Commission held a full-day hearing in Calgary regarding two proposals requesting changes to the casino policy. In one case, two established charities proposed a full-time, permanent casino operation to be run exclusively by hired staff. It was argued the general quality of the proposed casino was to be superior to existing charity casinos, potentially catering to a different clientele. This was to be in addition to the existing two-day system of licenced casinos. The executive management of the operation was to be guided by the applicants through a board of directors, rather than by volunteers actually working at the event as in current policy.

The second proposal, presented by two casino supply companies, requested that licensees be allowed to "pool" their casino profits, redistributing these funds on an equal basis to the participating organizations. In late 1986, a similar request was proposed to the Commission by an association of charitable organizations in Edmonton. Due to the length of the waiting lists in both Edmonton and Calgary, organizations were no longer able to hold casinos on a yearly basis; thus the latter request included a provision where members would be guaranteed a casino every year. In addition, it requested to operate seven days a week, with an additional 20 games over the existing level of casino operations.

Given the diversity of these proposals, the Commission deferred decisions pending an overall review of the entire casino policy to evaluate the potential impact of such changes. This review was in progress at the end of year.

Pull-Tickets

In 1987, the Commission issued 840 licences, an increase of 9.5 per cent over 1986. Total gross revenue was $101.9 million and net profit was $20.8 million, representing decreases of 3.8 and 2.1 per cent respectively.

In late 1986, the Commission and Gaming Control Branch conducted a review of the quality of pull-tickets on the Alberta market. In order to ensure the continued integrity of pull-ticket operations, the following minimum standards were approved by the Commission:

Individual Tickets

All individual tickets shall be opaque to the degree that concealed number(s) or symbol(s) cannot be previewed by means of an external light source.

Individual "windows" on tickets cannot be previewed without breaking the perforations or seals around the window or otherwise leaving an indication of ticket tampering.

Winning tickets cannot be identified by differences in colour quality, edge shear marking or any other systematic physical difference between winning and non-winning tickets.

No individual winning ticket shall be valued at more than $100.00.

Units

Winning tickets must be randomly seeded within each unit and this process must be consistently random for all units.

Each unit must be packaged in such a way that it cannot be tampered with prior to being opened for sale.

All tickets of a unit must be contained in one sealed box.

The Commission also decided that all pull-ticket distributors in the province should file with the Gaming Control Branch basic information concerning the types of tickets sold and the principles involved in the distributorship. In July, all distributors were informed in writing of the new standards and filing requirements, which were to become effective January 1, 1988. In the intervening months, the Gaming Control Branch worked in co-operation with the various distributors to implement these initiatives and the program was in place by the January 1 deadline.

Raffles

The Commission issued 3142 licences in 1987. This was a 3.7 per cent decrease from 1986. Total gross revenue rose to $22.5 million, an 8.3 per cent increase, and net profits were $8.8 million, or a 4.8 per cent decrease from 1986.

During the year, a number of charitable organizations applied to the Commission to run "Hockey Player Drafts". In this scheme, participants pick a number of individual hockey players, the winner being determined by the highest total point score at the end of a specific period of time. Although licenced in the province of Saskatchewan, a similar type of lottery had not been licenced in Alberta. It was argued that these would be a potentially valuable addition to the variety of fund-raising schemes available to Alberta's community groups. After an extensive review of the issues involved, the Commission, in consultation with the Gaming Control Branch, developed a set of guidelines under which it would allow Sports Drafts to be licenced, limited to the 1988 National Hockey League playoffs only. The Commission would then review the results and determine whether licencing should continue in future, and under what conditions.

Selected Commission Cases

ISSUE: Bingo Program - Limit on Prizes

Case: 87-11

Background:
In 1985, following review of a number of bingo applications with extraordinarily large prize payouts, the Commission established parameters regarding the scale of bingo operations. The Commission limited prize payouts to $15,000 after reviewing past practice in Alberta and licencing practices in other provinces. Early in 1987, a bingo association requested that the Commission increase the $15,000 limit and allow associations to pre-sell admissions.

Decision:
The limit of $15,000 in prizes per event remained in place. Also, terms and conditions of licence would not be amended to allow for the pre-sale of admission tickets. With licensees in a hall varying from day to day, volunteer members of an organization could not exercise adequate control over the sale of such admissions, which were considered a breach in security of the financial control system.

ISSUE: Use of Proceeds

Case: 87-28

Background:
A parent support group of a high school extracurricular program had been licenced to conduct bingo since early 1982. With the expiry of their yearly licence in late 1986, they decided not to re-apply for a licence due to lack of volunteer parent support. At that time, there was approximately $34,650 remaining in the bingo account. In early 1987, another group applied for a bingo licence, wishing to support the same student program, and claiming the funds held by the original licensee.

Decision:
The purpose of the bingo licence issued to the original parent group was to support a specific extracurricular activity at the high school. It was not intended that funds raised be used only for students in one year, but rather to support the program over a period of time. With this in mind, the second organization was the successor of the original licensee. They were involved with the support of the same activities and had been recognized as a valid group by the school principal.

The disposition of remaining gaming funds was to be done in two ways. First, the existing student program had financial needs which were deemed eligible uses of gaming proceeds. Therefore, the original licensee was directed to transfer a specific portion of the funds to the new group to cover those expenses. The new group was to establish a separate gaming account into which those funds were to be deposited, with all disbursements to be paid by cheque, and supplementary financial reports to be submitted until all funds were expended. Second, the balance of gaming proceeds were to be donated by the original licensee to other approved charitable purposes.

ISSUE: Awarding of Non-Approved Prizes

Case: 87-33

Background:
During a routine inspection of a bingo hall, inspectors of the Gaming Control Branch found the bingo association proposed to award five door prizes, with a total value of approximately $1,200. It was determined that no Commission approval had been obtained to sanction this promotion. The association's hired staff was advised the prizes could not be given away. The hired staff confirmed this with Gaming Commission staff later the same afternoon. It was later determined the association attempted to circumvent this directive. The prizes were sold to a representative of the landlord. Then, each patron purchasing regular admission received a roll ticket, after which a series of draws for the prizes were conducted. This action appeared to contravene two provisions of Terms and Conditions of Bingo Licence.

Decision:
It was held that terms and conditions had in fact been violated. The bingo licences of the member groups of the association were suspended for seven days. Further, if association members continued to exercise inadequate control and management over their bingo operation, the Commission would consider revoking all the bingo licences.

ISSUE: Use of Proceeds

Case: 87-38

Background:
Early in 1986, an organization was licenced to conduct bingo and pull-ticket sales. As a result of complaints received, an investigation by the Gaming Control Branch into their use of proceeds was conducted. It was determined gaming revenues had been expended in ways which were neither approved by licence nor considered charitable in nature. There appeared to have been little attempt to exercise the necessary control over gaming proceeds that are required by terms and conditions of licence. As a result, this organization's licences were not renewed.

Decision:
The organization's licences were not to be renewed until the following conditions were met:

1. The organization demonstrated it had an adequate financial control system in place to account for receipts and disbursements of gaming proceeds, including ensuring proceeds be used only for approved charitable purposes; and
2. A total of $23,843.02 be refunded to the gaming accounts, this representing those expenditures not considered charitable in nature.

Whatever funds that remained in gaming accounts were frozen, with the organization having to submit written requests for each proposed use of these funds.

ISSUE: Location of Bingo

Case: 87-44

Background:
It is a long-standing policy that an organization may conduct bingo only in its own city or community. In 1984, the Commission refined its interpretation of this policy to allow for greater flexibility in defining "community" in rural areas, while maintaining the boundaries for those centres which were legally designated "cities".

Over time, bingo associations began operations in smaller "cities", but could not accept membership from organizations resident in surrounding counties. This had been the subject of much discussion between the Commission and a number of interested community groups. As a result of an application by an amateur hockey organization in a rural area to hold bingo as part of a nearby city-based association, the Commission again reviewed its interpretation of the policy.

Decision:
The Commission approved the application and revised the interpretation of the policy as follows:

"Only organizations situated within the legal boundaries of Calgary and Edmonton can conduct bingo in those cities.

Only organizations situated within the legal boundaries of all other "cities" (i.e., Airdrie, Camrose, Drumheller, Fort Saskatchewan, Fort McMurray, Grande Prairie, Leduc, Lethbridge, Lloydminster, Medicine Hat, Red Deer, Spruce Grove, St. Albert, Wetaskiwin) are eligible to conduct bingo as a member of a newly formed bingo association. Twelve months after a bingo association commences bingo, the member organizations may admit to membership organizations situated in the legal boundaries of the surrounding or immediately adjacent counties, municipal districts, improvement districts and special areas.

Within the legal boundaries of counties, municipal districts, improvement districts, and special areas (excluding the cities listed above) organizations may conduct a bingo in a town, village, or hamlet which is not their own, only if the applicant can satisfy the Commission in writing that organizations which are currently licenced to conduct bingo in that town, village or hamlet have no objections to the application."

ISSUE: Volunteer Workers at Bingo

Case: 87-46

Background:
An organization licenced to conduct bingo as part of a bingo association, placed newspaper advertisements recruiting volunteers to work its bingos. An inquiry into this advertisement by the Gaming Control Branch determined it was not necessary to belong to the organization to work bingo. Subsequently, an on-site inspection of this organization's bingo revealed that of fourteen volunteer workers, five were paid administrative employees of the organization. This raised the question as to whether the organization had sufficient volunteer members to staff the number of events for which they were licenced.

Decision:
The organization continued to be licenced for bingo. It is a term and condition of licence that:

"The conduct and management of bingo is the sole responsibility of the licenced organization and cannot be delegated. Only members of the licenced organization shall work as volunteer bingo workers."

It was identified at the hearing that, because of the nature of services provided to the community, to be a member of this particular organization a volunteer had to complete an application form which was screened by the police. Only individuals who qualified as members in accordance with this procedure were deemed eligible to work at the organization's bingos.

ISSUE: Charitable Status

Case: 87-49

Background:
Originally licenced to conduct bingo in July of 1986, this organization claimed to provide "goal-oriented projects" such as drama, wilderness survival, outdoor pursuits, and gymnastics to youth aged 9 to 12. Membership was claimed to be 110. An audit conducted by the Gaming Control Branch into the use of gaming proceeds revealed that, while the organization appeared to run a few actual programs and leased space from the city at a dollar a year, it had spent gaming funds to purchase and maintain a van. Upon expiry, the bingo licence was not renewed pending a hearing before the Commission.

Decision:
The organization was unable to demonstrate it delivered a program intended for public benefit. In addition, it was unable to demonstrate that it had a broad-based volunteer membership to effectively control its activities. As a result, it was found to be not charitable.

ISSUE: Bingo Program/Pull-Tickets

Case: 87-51

Background:
Over the years, a situation developed where four organizations were each running bingos with accumulating jackpot games once a week, together with pull-ticket sales, at the same location, a major recreational facility in the community. One of the groups was the society responsible for the facility itself, two of the groups based many of their programs at the facility yet remained independent of the society, while the fourth group was neither a member of the society nor based programs there. As the Commission's policies regarding bingo and pull-tickets were refined over the years, this arrangement was increasingly at variance with policies. A hearing was convened to explore the situation and deter-

mine how the operation could comply with existing policies, while treating a newly established bingo association in the community in a fair and consistent manner as regards existing limits on bingo programs and pull-ticket sales.

Decision:
The Commission was willing to licence one of the following alternatives:

1. Licence the facility's society to conduct bingo a maximum of three times per week. The program could include accumulating jackpots and a licence to sell pull-tickets could also be issued.
2. Licence the four organizations separately, each for one day per week. Under this alternative, no accumulating jackpots would be licenced and only the facility's society could sell pull-tickets at their bingos; no pull-tickets could be sold at other organizations' bingos.

In the event the first alternative was followed, only bona fide members of the facility's society could work as volunteers at the bingo. Proceeds could be used to support the various programs of the facility, or could be donated to other charitable activities in the community.

A decision on these alternatives was to be made by the organizations by August 1, 1987. One organization's bingo licence was to expire on that date, and a further licence would not be issued until a decision was made.

When bingo is operated in excess of three days a week from the same facility, limitations are placed on the program. From the bingo patrons perspective, this frequency of operation is indistinguishable from regularly operating bingo facilities or halls. As a result, similar program limitations are imposed whether an association is in place or not.

The Commission had recognized for some time that the facility's operation did not conform to existing policy. It was willing to continue this anomaly as it did not adversely affect other groups in the community. With the establishment of a bingo association in the community, it was now necessary for the groups to conform with policy, so all organizations in the community were treated equitably.

ISSUE: Broadcast Bingo

Case: 87-63

Background:
A private firm had developed a proposal to conduct a daily radio bingo, called Broadcast Bingo Bonanza. They proposed to implement this program on a province-wide basis, with various charitable organizations providing the manpower. It appeared to be their intention to have separate bingos in Edmonton and Calgary, restricting participation to 10 or 12 organizations in each city. They stated:

"The number of organizations involved dictates the volunteer manpower input required, e.g., one organization per week rotated by the number of participating charities. This obviously impacts upon the volunteer workload (which we do not believe will be unduly onerous) and equally on the distribution on the related revenues."

It was proposed to operate initially in Calgary, with a bingo game broadcast at 10:30 p.m., Monday through Saturday. Cards would be sold through chain store outlets. The proposed distribution of revenue was:

Prizes	45%
Expenses -	
Distribution	10%
Broadcastings and productions	15%
Operational costs	10%
Net	20%

One aspect of the proposal included a management company which would charge for the following activities:

Co-ordinator	$100.00/hour
Assistant Co-ordinator	75.00 hour
Accountant	50.00/hour
Secretary	30.00/hour
Caller	75.00/hour

Cards were to cost $2.00 each, and be available two weeks prior to the game date. The initial prizes were to be paid on a full blackout as follows:

48 numbers or less	$3,000
49 numbers or more	$1,000

Projected start-up costs were $33,925, provided by the organizations involved (or $2,827 each if 12 organizations participated).

Further, it was proposed that revenues be "pooled" and distributed among the participating charitable organizations.

Decision:
Eligible organizations were not licenced to conduct a Broadcast Bingo Bonanza program. The Commission wished to ensure that commercial involvement and profit from gaming activities was minimized, with maximum effort and involvement by volunteer members resulting in gaming revenues substantially accruing to licenced organizations for their charitable activities. In this proposal, the volunteer role was minimized, with many activities being carried out on a paid contract basis. Various commercial interests stood to benefit significantly from this proposal.

Secondly, no charitable organization would clearly be responsible for the conduct and management of individual events. The only means by which the scheme would be successful was to have all the proceeds pooled. Such a pooling arrangement is not currently allowed.

ISSUE: Bingo Equipment

Case: 87-74

Background:
As part of a routine hearing reviewing a proposed new bingo association, an issue arose regarding the use of bingo equipment of an advanced design which included a random-number generator and electronic ticket validator. Amendments to the Criminal Code, Section 190(4)(c), passed in

late 1985, in effect said no lottery scheme could be licenced that was "operated on or through a computer, video device or slot machine". The question arose whether the equipment was covered under this wording.

Decision:
The Commission referred the question to the Department of the Attorney General for legal opinion. On the basis of that opinion, the Commission determined that using a random-number generator to play bingo was considered to be a game "that is operated on or through a computer" as meant by Section 190(4)(c) of the Criminal Code and therefore the Commission had no jurisdiction to licence such types of lottery schemes. The association members could be licenced if the equipment in question was not used.

ISSUE: Charitable Status

Case: 87-110/130

Background:
Over a period of years, an amateur athletic association had been licenced for bingo and casinos. As a result of complaints, the Gaming Control Branch conducted an investigation into the structure of the organization which disclosed that it had not been operating in accordance with its by-laws. Annual meetings were not held, financial reports were not made, and control of the organization appeared to be in the hands of a few people. Gaming proceeds seemed to have been used to support a few select teams, rather than equitably benefiting all players involved in the program. When advised of these concerns, the association, based upon legal advice, conducted a general meeting, with voting rights restricted to the seven original members when incorporated in 1974. At the general meeting, 24 other individuals were approved as members. An administrative review by the Commission of these actions raised some concerns as to whether the association consisted of a broad-based volunteer membership. Rather, there were suggestions membership was restricted to a few key individuals from each team, with little input from volunteers supporting each team.

Decision:
The bingo licence of the association was suspended effective immediately. Space was to be held for the organization's casino, scheduled in mid-1988, until December 31, 1987, pending satisfactory resolution of the Commission's concerns. Before the suspension would be lifted, a further hearing before the Commission would be necessary.

It was determined the nature of executive control exercised by the association had not been representative of the volunteer community. To be eligible for licence, a charitable organization has to represent a broad-based volunteer membership. In addition, the organization must be structured so that volunteers control its activities through a democratic decision-making process.

It appeared the decisions of the association had been concentrated in the hands of a few individuals. Prior to having the suspension lifted, the association had to take steps to ensure that it equitably represented the interests of all teams involved. The association would also have to be open and democratic in its operations, so the volunteers were fully aware of its activities and could make knowledgeable decisions on future activities. It may be necessary to revise its by-laws to clarify how the various teams were represented and the responsibilities of the association and its individual teams.

As a result of a second hearing before the Commission, the bingo licence was reinstated. The association had demonstrated that it had taken steps to become representative of the volunteer community. The proposed by-law changes provided a structure that allowed its activities to be controlled through a democratic decision-making process.

The association was to provide a list, with addresses and telephone numbers, of its interim directors and executive officers. It was also to identify who the signing authorities were on its bingo bank account. Once the revised by-laws were registered, the association should advise the Commission of names, addresses and telephone numbers of the new executive elected in accordance with the revised by-laws.

ISSUE: Conduct of Bingo

Case: 87-125

Background:
Two organizations, one a service club and the other a veterans' organization, proposed to conduct bingo three days a week each, within a facility primarily designed for the conduct of bingo. Earlier in the year, a bingo association had been approved to conduct bingo from this hall, but had found the operation uneconomic and had ceased bingo operations.

Decision:
Neither of the two organizations were licenced to conduct bingo in the bingo hall. The Commission was of the opinion the two organizations did not have sufficient volunteer resources to conduct bingo three days per week each, within a facility intended exclusively for bingo. Both organizations had volunteer resources committed to other bingo operations, and to licence them for this second location had the potential for problems. Further, the hall in question had demonstrated it was not an economically viable bingo location. The Commission was concerned the two groups were not able to detail how they proposed to make the operation economically successful.

ISSUE: Terms & Conditions of Licence

Case: 87-133/156/157

Background:
Three sports groups licenced to conduct bingo were the object of an investigation by the Gaming Control Branch, initiated by complaints that each group was paying its volunteer bingo workers. The investigation indicated there was

uncertainty as to the nature of the membership in each group. All three groups appeared intertwined in membership. It was also established that, at least in one case, individuals were paid to work bingo, including people who were neither members nor even known to the organization. On the basis of this information, the bingo licences for all three groups were suspended pending a hearing before the Commission to consider revocation of the licences.

Decisions:
Group one's licence was to be suspended for 60 days. The Commission was satisfied that workers at a bingo conducted on behalf of the organization received remuneration. The 60-day suspension was imposed as a penalty for those activities.

During the hearing, the Commission became concerned over the role volunteers played in the control and direction of the organization's activities. The decision making must rest with the volunteer executive and not with any paid staff of the club. Until this concern was resolved by a further hearing, expenditure of bingo proceeds was to remain frozen.

In the case of groups two and three, the suspension of the bingo licence was to continue, pending a further hearing before the Commission to review their activities and structure.

The Commission was satisfied that workers at both organizations' bingos received remuneration. The Commission felt that under normal circumstances, a 60-day suspension (for the period October 15, 1987 to December 13, 1987) would be a suitable penalty. However, during the hearing, the Commission became concerned as to whether these organizations were actively involved in the delivery of charitable programs to the community. The Commission was also concerned as to the role volunteers played in the control and direction of these activities. Until these concerns were resolved at a future hearing, the suspension would remain in place.

ISSUE: Use of Proceeds

Case: 87-134

Background:
A fraternal organization proposed to use 40 per cent of its gaming proceeds for "seniors entertainment" including live entertainment for seniors' dances and meals. It is a Commission policy that gaming revenues may be used to cover the "cost of recreation and social activities for senior citizens' groups, not including expenses such as alcohol or events that are in the nature of vacation packages". The Commission was asked to consider whether this proposal fell within the policy and what, if any, restrictions should be imposed on these kinds of expenditures.

Decision:
Gaming proceeds could be used for seniors entertainment, provided:

- there is broad-based community involvement, and the activities are not limited to the members of the licenced organization;
- the majority of the seniors' group consists of individuals 65 years of age and older;
- any entertainment provided is for the seniors, not the general membership;
- the proceeds are not used to purchase liquor;
- the services paid from gaming proceeds are on a cost-recovery basis, and not intended to generate a profit. For example, the cost of the meal provided should be based on the actual food and labour costs, as well as a reasonable overhead to cover such things as the cost of utilities and supplies. It is expected the cost of such meals would be less than the regular menu charges.

The program offered by this organization met these criteria and so was considered an allowable use of gaming proceeds.

Gaming Statistics

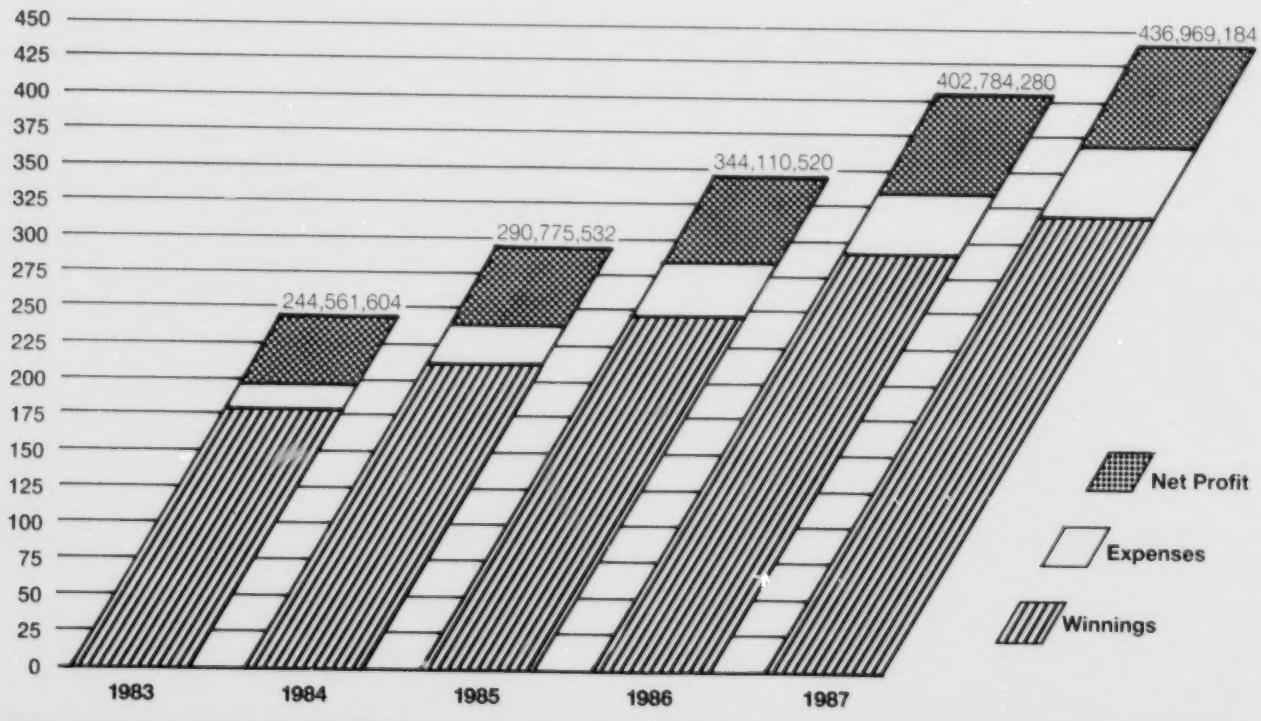
As compiled by Gaming Control Branch, Department of the Attorney General

Totals of All Licenced Gaming

	Licences	Events*	Licence Fees	Total Gross	Prizes/Winnings	%	Expenses	%	Net Profit	%
1985										
Bingo	2,001	39,720	–	$122,543,089	$ 86,591,782	70.7	$15,191,439	12.4	$20,759,868	16.9
Casino	575	1,154	$ 356,830	102,266,315	79,831,902	78.1	9,675,661	9.4	12,758,752	12.5
Pull-Ticket	671	671	1,023,392	101,562,970	75,193,635	74.0	6,124,783	6.0	20,244,552	20.0
Raffle	3,397	10,098	20,000	17,738,146	7,749,384	43.7	2,352,084	13.3	7,636,678	43.0
TOTAL	**6,644**	**51,643**	**$1,400,222**	**$344,110,520**	**$249,366,703**	**72.5**	**$33,343,967**	**9.7**	**$61,399,850**	**17.8**
1986										
Bingo	2,160	40,788	$ 1,100	$167,148,466	$120,389,479	72.0	$20,330,748	12.2	$26,428,239	15.8
Casino	590	1,190	356,255	108,883,986	85,348,501	78.0	10,201,084	9.5	13,334,401	12.5
Pull-Ticket	767	767	1,076,807	105,949,370	78,448,824	74.0	6,209,768	5.9	21,290,778	20.1
Raffle	3,263	7,736	20,750	20,802,458	8,935,816	43.0	2,645,564	12.7	9,221,078	44.3
TOTAL	**6,780**	**50,481**	**$1,454,912**	**$402,784,280**	**$293,122,620**	**72.8**	**$39,387,164**	**9.8**	**$70,274,496**	**17.4**
1987										
Bingo	2,396	43,188	$ 1,100	$198,417,336	$145,180,963	73.2	$24,208,603	12.2	$29,027,770	14.6
Casino	611	1,230	367,325	114,138,633	90,181,877	79.0	10,547,010	9.2	13,409,746	11.8
Pull-Ticket	840	840	1,025,390	101,884,435	75,066,386	73.7	5,978,841	5.9	20,839,208	20.4
Raffle	3,142	8,968	22,600	22,528,780	10,237,020	45.4	3,512,306	15.6	8,779,454	39.0
TOTAL	**6,989**	**54,226**	**$1,416,415**	**$436,969,184**	**$320,666,246**	**73.4**	**$44,246,760**	**10.1**	**$72,056,178**	**16.5**

*For bingo, this represents the number of sessions; for casinos, the number of days; for pull-tickets, the number of licences; and for raffles, the number of draw dates.

All Licenced Gaming
$ millions

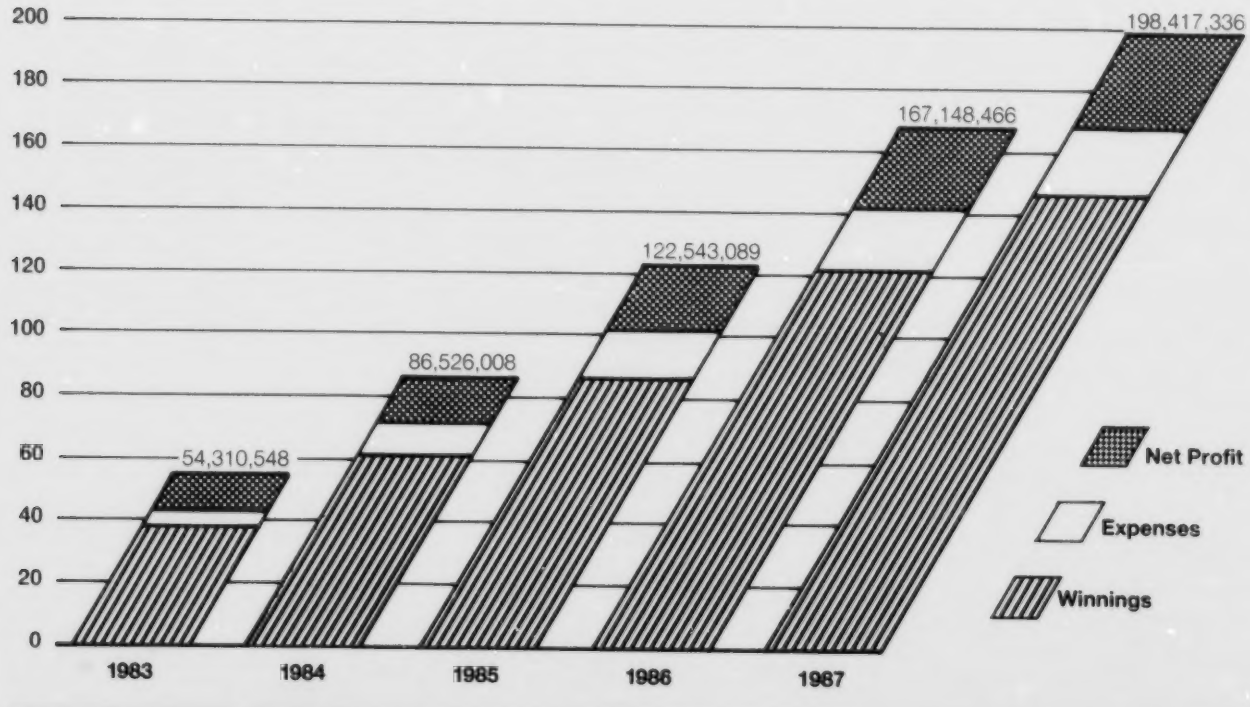


Bingos

	Licences	Events	Licence Fees*	Total Gross	Prizes/Winnings	%	Expenses	%	Net Profit	%
1985										
Calgary	204	7,939	–	$ 31,013,918	$ 22,163,173	71.4	$ 4,360,592	14.1	$ 4,490,153	14.5
Edmonton	618	9,717	–	53,620,030	37,956,324	70.8	6,792,028	12.7	8,871,678	16.5
Others	1,179	22,064	–	37,909,141	26,472,285	69.8	4,038,819	10.7	7,398,037	19.5
TOTAL	**2,001**	**39,720**	**–**	**$122,543,089**	**$ 86,591,782**	**70.7**	**$15,191,439**	**12.4**	**$20,759,868**	**16.9**
1986										
Calgary	248	8,395	$ 1,100	$ 43,010,484	$ 31,445,028	73.1	$ 5,619,017	13.1	$ 5,946,439	13.8
Edmonton	644	9,558	–	63,316,440	45,152,302	71.3	8,184,422	12.9	9,979,716	15.8
Others	1,268	22,835	–	60,821,542	43,792,149	72.0	6,527,309	10.7	10,502,084	17.3
TOTAL	**2,160**	**40,788**	**$ 1,100**	**$167,148,466**	**$120,389,479**	**72.0**	**$20,330,748**	**12.2**	**$26,428,239**	**15.8**
1987										
Calgary	328	9,507	$ 1,100	$ 55,618,451	$ 41,759,938	75.1	$ 7,325,021	13.2	$ 6,533,492	11.7
Edmonton	690	9,441	–	67,373,527	48,400,797	71.9	8,912,595	13.2	10,060,135	14.9
Others	1,378	24,240	–	75,425,358	55,020,228	72.9	7,970,987	10.6	12,434,143	16.5
TOTAL	**2,396**	**43,188**	**$ 1,100**	**$198,417,336**	**$145,180,963**	**73.2**	**$24,208,603**	**12.2**	**$29,027,770**	**14.6**

*For fairs and exhibition boards only.

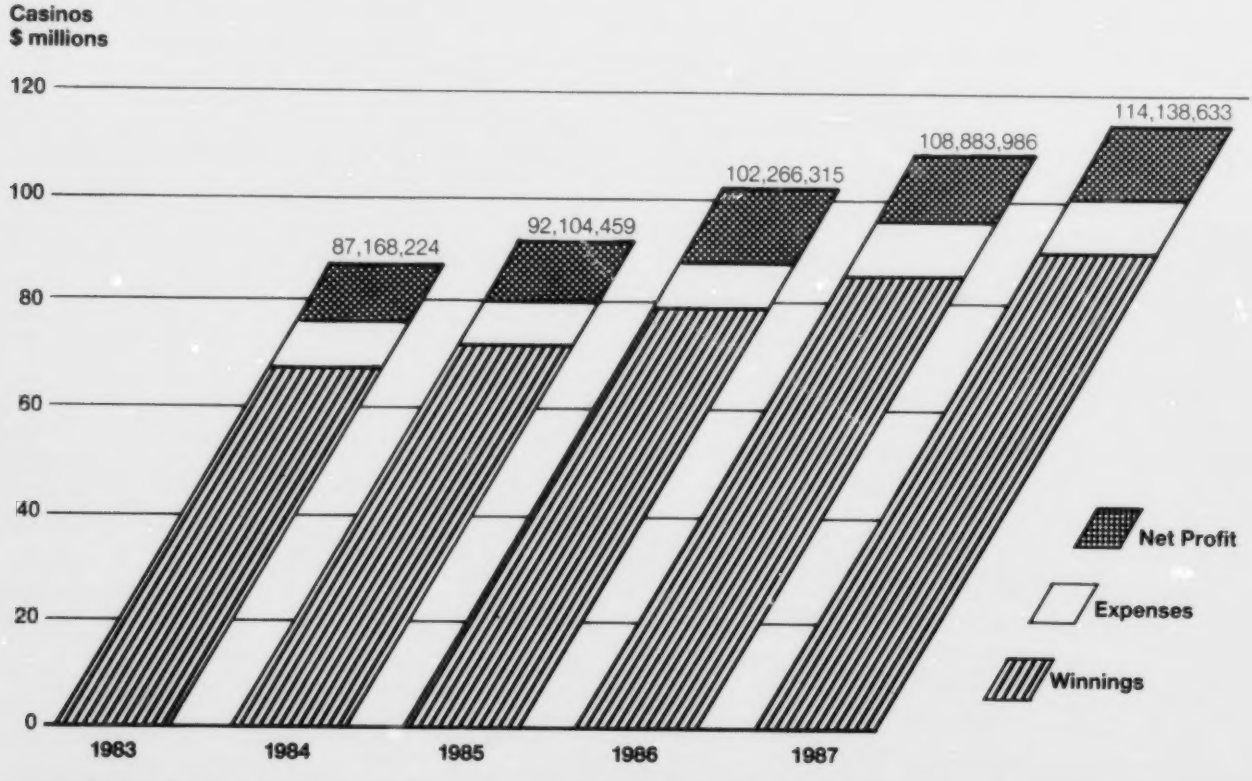
Bingos
$ millions



Casinos

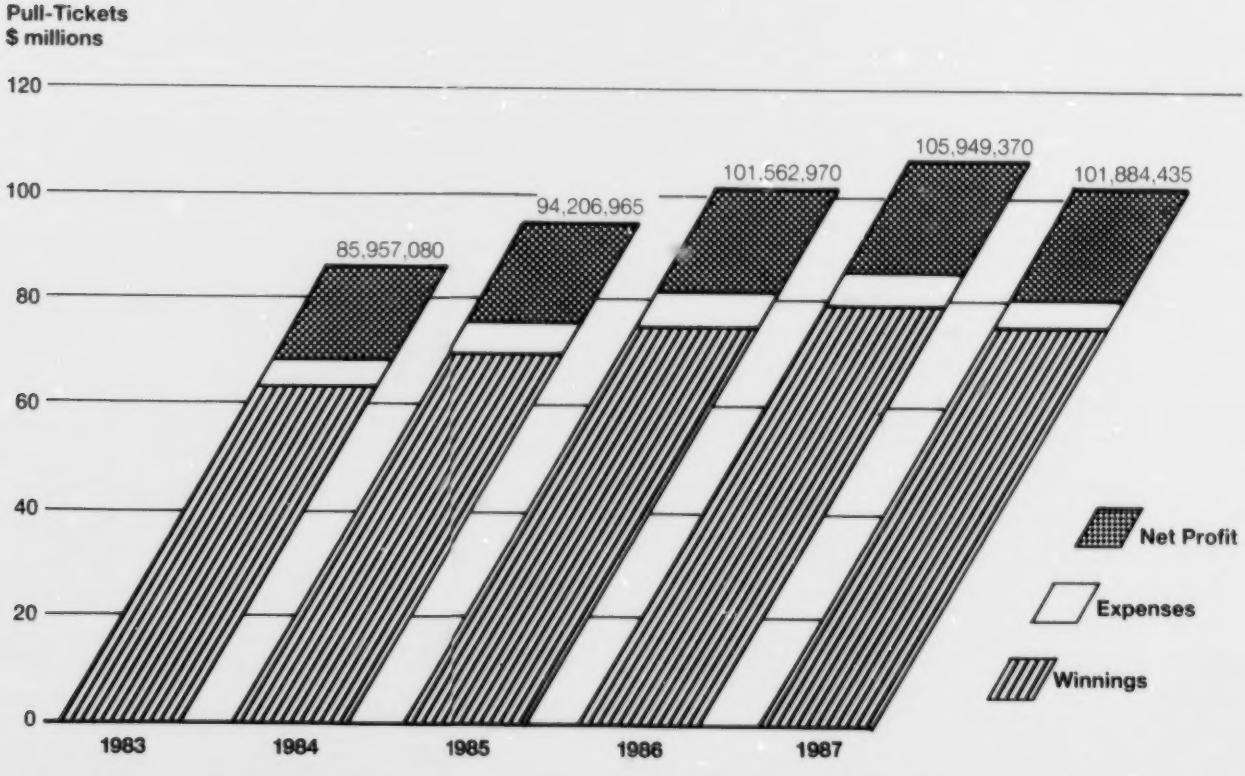
	Licences	Events	Licence Fees	Total Gross*	Prizes/Winnings	%	Expenses	%	Net Profit	%
1985										
Calgary	194	394	$ 153,750	$ 48,463,121	$ 38,217,173	78.9	$ 4,611,219	9.5	$ 5,634,729	11.6
Edmonton	193	392	144,570	45,154,450	35,041,155	77.6	3,742,636	8.3	6,370,659	14.1
Others	188	368	58,510	8,648,744	6,573,574	76.0	1,321,806	15.3	753,364	8.7
TOTAL	**575**	**1,154**	**$ 356,830**	**$102,266,315**	**$ 79,831,902**	**78.1**	**$ 9,675,661**	**9.4**	**$12,758,752**	**12.5**
1986										
Calgary	194	395	$ 153,450	$ 51,046,787	$ 40,710,649	79.7	$ 4,902,100	9.6	$ 5,434,038	10.7
Edmonton	193	393	144,640	47,807,133	36,967,736	77.3	3,773,033	7.9	7,066,364	14.8
Others	203	402	58,165	10,030,066	7,670,116	76.5	1,525,951	15.2	833,999	8.3
TOTAL	**590**	**1,190**	**$ 356,255**	**$108,883,986**	**$ 85,348,501**	**78.0**	**$10,201,084**	**9.5**	**$13,334,401**	**12.5**
1987										
Calgary	194	395	$ 155,650	$ 52,158,896	$ 41,362,460	79.3	$ 4,824,294	9.2	$ 5,972,142	11.5
Edmonton	192	391	144,040	49,119,730	38,787,506	79.0	3,875,438	7.9	6,456,786	13.1
Others	225	444	67,635	12,860,007	10,031,911	78.0	1,847,278	14.4	980,818	7.6
TOTAL	**611**	**1,230**	**$ 367,325**	**$114,138,633**	**$ 90,181,877**	**79.0**	**$10,547,010**	**9.2**	**$13,409,746**	**11.8**

*For casinos, "gross" equals "drop" – the total of money spent to purchase chips.



Pull-Tickets

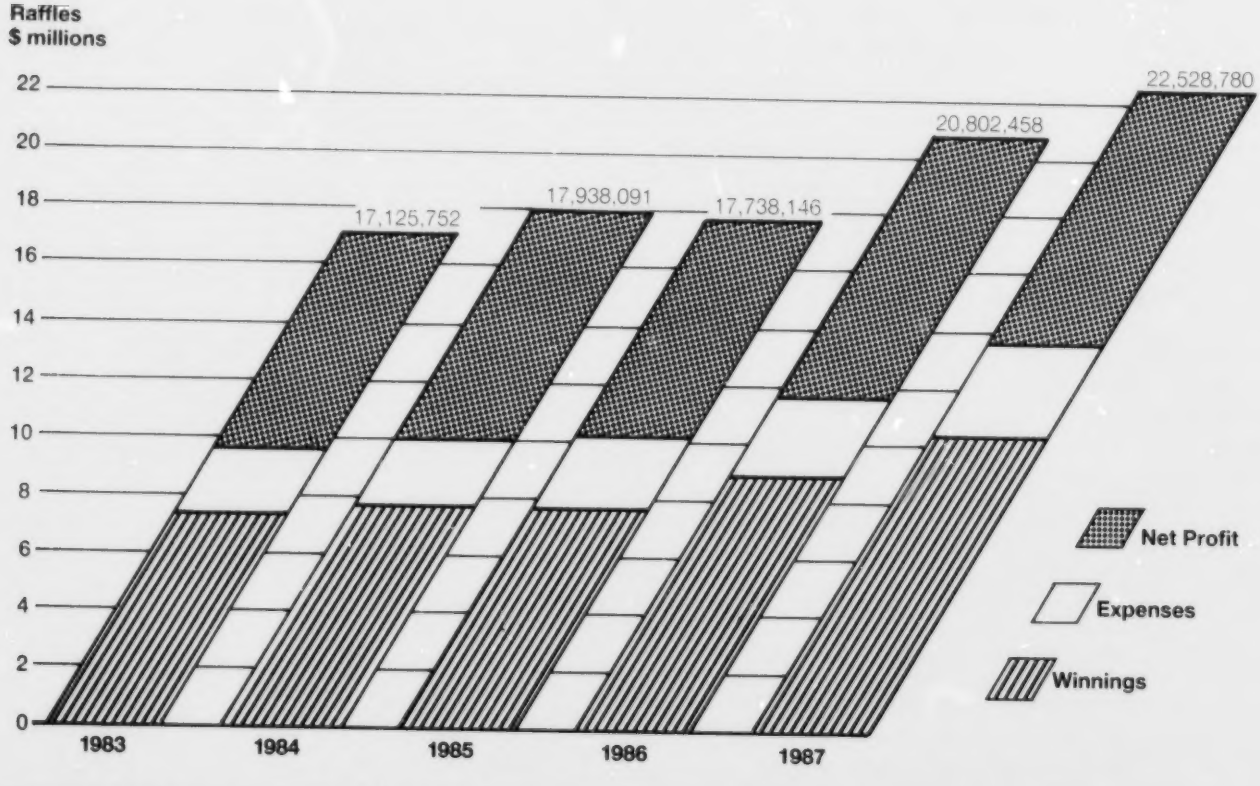
	Licences	Events*	Licence Fees	Total Gross	Prizes/Winnings	%	Expenses	%	Net Profit	%
1985										
Calgary	143	143	$ 339,415	$ 33,653,160	$ 24,799,329	73.7	$ 1,994,070	5.9	$ 6,859,761	20.4
Edmonton	32	32	134,158	13,384,032	9,986,688	74.6	816,105	6.1	2,581,239	19.3
Others	496	496	549,819	54,525,778	40,407,618	74.1	3,314,608	6.1	10,803,522	19.8
TOTAL	**671**	**671**	**$1,023,392**	**$101,562,970**	**$ 75,193,635**	**74.0**	**$ 6,124,783**	**6.0**	**$20,244,552**	**20.0**
1986										
Calgary	154	154	$ 335,537	$ 33,395,799	$ 24,595,539	73.6	$ 1,926,783	5.8	$ 6,873,477	20.6
Edmonton	40	40	142,293	14,178,144	10,602,052	74.8	848,275	6.0	2,727,817	19.2
Others	573	573	598,977	58,375,427	43,251,233	74.1	3,434,710	5.9	11,689,484	20.0
TOTAL	**767**	**767**	**$1,076,807**	**$105,949,370**	**$ 78,448,824**	**74.0**	**$ 6,209,768**	**5.9**	**$21,290,778**	**20.1**
1987										
Calgary	174	174	$ 288,909	$ 28,823,244	$ 21,092,739	73.2	$ 1,701,069	5.9	$ 6,029,436	20.9
Edmonton	50	50	142,643	14,246,988	10,543,343	74.0	859,839	6.0	2,843,806	20.0
Others	616	616	593,838	58,814,203	43,430,304	73.9	3,417,933	5.8	11,965,966	20.3
TOTAL	**840**	**840**	**$1,025,390**	**$101,884,435**	**$ 75,066,386**	**73.7**	**$ 5,978,841**	**5.9**	**$20,839,208**	**20.4**



Raffles

	Licences	Events	Licence Fees*	Total Gross	Prizes/Winnings	%	Expenses	%	Net Profit	%
1985										
Calgary	355	2,343	$ 11,000	$ 3,496,335	$ 1,203,955	34.4	$ 741,800	21.2	$ 1,550,580	44.4
Edmonton	490	1,040	7,600	4,530,778	2,130,057	47.0	710,463	15.7	1,690,258	37.3
Others	2,552	6,715	1,400	9,711,033	4,415,372	45.5	899,821	9.2	4,395,840	45.3
TOTAL	**3,397**	**10,098**	**$ 20,000**	**$ 17,738,146**	**$ 7,749,384**	**43.7**	**$ 2,352,084**	**13.3**	**$ 7,636,678**	**43.0**
1986										
Calgary	370	1,244	$ 11,350	$ 4,333,402	$ 1,547,956	35.7	$ 828,613	19.1	$ 1,956,833	45.2
Edmonton	499	1,215	8,000	6,486,543	3,095,576	47.7	1,035,627	16.0	2,355,340	36.3
Others	2,394	5,277	1,400	9,982,513	4,292,284	43.0	781,324	7.8	4,908,905	49.2
TOTAL	**3,263**	**7,736**	**$ 20,750**	**$ 20,802,458**	**$ 8,935,816**	**43.0**	**$ 2,645,564**	**12.7**	**$ 9,221,078**	**44.3**
1987										
Calgary	340	1,375	$ 11,600	$ 5,313,842	$ 2,088,607	39.3	$ 1,083,947	20.4	$ 2,141,288	40.3
Edmonton	485	1,339	9,500	6,825,922	3,435,679	50.3	1,229,059	18.0	2,161,184	31.7
Others	2,317	6,254	1,500	10,389,016	4,712,734	45.4	1,199,300	11.5	4,476,982	43.1
TOTAL	**3,142**	**8,968**	**$ 22,600**	**$ 22,528,780**	**$ 10,237,020**	**45.4**	**$ 3,512,306**	**15.6**	**$ 8,779,454**	**39.0**

*For fairs and exhibition boards only.



Overview By Major Centres
All Licenced Gaming 1987

	Licences	Events	Licence Fees	Total Gross	Prizes/Winnings	%	Expenses	%	Net Profit	%
Calgary										
Bingo	328	9,507	$ 1,100	$ 55,618,451	$ 41,759,938	75.1	$ 7,325,021	13.2	$ 6,533,492	11.7
Casino	194	395	155,650	52,158,896	41,362,460	79.3	4,824,294	9.3	5,972,142	11.4
Pull-Ticket	174	174	288,909	28,823,244	21,092,739	73.2	1,701,069	5.9	6,029,436	20.9
Raffle	340	1,375	11,600	5,313,842	2,088,607	39.3	1,083,947	20.4	2,141,288	40.3
TOTAL	**1,036**	**11,451**	**$ 457,259**	**$141,914,433**	**$106,303,744**	**74.9**	**$14,934,331**	**10.5**	**$20,676,358**	**14.6**
Edmonton										
Bingo	690	9,441	–	$ 67,373,527	$ 48,400,797	71.9	$ 8,912,595	13.2	$10,060,135	14.9
Casino	192	391	$ 144,040	49,119,730	38,787,506	79.0	3,875,438	7.9	6,456,786	13.1
Pull-Ticket	50	50	142,643	14,246,988	10,543,343	74.0	859,839	6.0	2,843,806	20.0
Raffle	485	1,339	9,500	6,825,922	3,435,679	50.3	1,229,059	18.0	2,161,184	31.7
TOTAL	**1,417**	**11,221**	**$ 296,183**	**$137,566,167**	**$101,167,325**	**73.5**	**$14,876,931**	**10.8**	**$21,521,911**	**15.7**
Ft. McMurray										
Bingo	9	529	–	$ 1,938,559	$ 1,436,924	74.1	$ 166,105	8.6	$ 335,530	17.3
Casino	27	55	$ 5,805	1,196,848	946,089	79.1	157,342	13.1	93,417	7.8
Pull-Ticket	9	9	28,114	2,809,023	2,163,040	77.0	137,199	4.9	508,784	18.1
Raffle	46	66	–	101,900	35,804	35.1	6,374	6.3	59,722	58.6
TOTAL	**91**	**659**	**$ 33,919**	**$ 6,046,330**	**$ 4,581,857**	**75.8**	**$ 467,020**	**7.7**	**$ 997,453**	**16.5**
Grande Prairie										
Bingo	63	1,018	–	$ 5,618,905	$ 3,959,028	70.5	$ 676,220	12.0	$ 983,657	17.5
Casino	7	14	$ 1,670	272,251	215,528	79.2	38,257	14.0	18,466	6.8
Pull-Ticket	8	8	14,872	1,482,696	1,093,348	73.7	85,339	5.8	304,009	20.5
Raffle	47	509	–	232,189	98,260	42.3	43,214	18.6	90,715	39.1
TOTAL	**125**	**1,549**	**$ 16,542**	**$ 7,606,041**	**$ 5,366,164**	**70.5**	**$ 843,030**	**11.1**	**$ 1,396,847**	**18.4**
Lethbridge										
Bingo	51	1,021	–	$ 8,644,593	$ 5,881,859	68.0	$ 970,207	11.2	$ 1,792,527	20.8
Casino	17	38	$ 10,390	1,713,033	1,347,166	78.7	262,579	15.3	103,288	6.0
Pull-Ticket	13	13	56,590	5,641,628	4,203,220	74.5	358,075	6.3	1,080,333	19.2
Raffle	58	81	400	279,800	107,804	38.5	20,392	7.3	151,604	54.2
TOTAL	**139**	**1,153**	**$ 67,380**	**$ 16,279,054**	**$ 11,540,049**	**70.9**	**$ 1,611,253**	**9.9**	**$ 3,127,752**	**19.2**
Medicine Hat										
Bingo	41	1,075	–	$ 4,346,237	$ 3,434,172	79.0	$ 499,368	11.5	$ 412,697	9.5
Casino	24	52	$ 10,880	1,947,649	1,477,179	75.8	292,003	15.0	178,467	9.2
Pull-Ticket	13	13	39,286	3,931,714	2,859,784	72.7	264,928	6.8	807,002	20.5
Raffle	57	180	1,050	627,081	303,648	48.4	30,960	4.9	292,473	46.7
TOTAL	**135**	**1,320**	**$ 51,216**	**$ 10,852,681**	**$ 8,074,783**	**74.4**	**$ 1,087,259**	**10.0**	**$ 1,690,639**	**15.6**
Red Deer										
Bingo	69	1,137	–	$ 7,756,797	$ 6,086,694	78.5	$ 818,069	10.5	$ 852,034	11.0
Casino	7	18	$ 6,270	650,265	494,668	76.1	103,122	15.8	52,475	8.1
Pull-Ticket	14	14	45,485	4,549,762	3,333,424	73.3	265,950	5.8	950,388	20.9
Raffle	64	564	–	517,363	266,373	51.5	46,049	8.9	204,941	39.6
TOTAL	**154**	**1,733**	**$ 51,755**	**$ 13,474,187**	**$ 10,181,159**	**75.6**	**$ 1,233,190**	**9.1**	**$ 2,059,838**	**15.3**
St. Albert										
Bingo	18	457	–	$ 1,977,828	$ 1,547,471	78.2	$ 285,790	14.5	$ 144,567	7.3
Casino	40	81	$ 13,080	3,769,679	2,941,849	78.0	462,048	12.3	365,782	9.7
Pull-Ticket	4	4	1,790	171,881	126,760	73.7	10,297	6.0	34,824	20.3
Raffle	34	554	–	1,072,309	619,735	57.8	184,361	17.2	268,213	25.0
TOTAL	**96**	**1,096**	**$ 14,870**	**$ 6,991,697**	**$ 5,235,815**	**74.9**	**$ 942,496**	**13.5**	**$ 813,386**	**11.6**

Overview by Major Centres – All Licenced Gaming 1987 – (continued)

	Licences	Events	Licence Fees	Total Gross	Prizes/Winnings	%	Expenses	%	Net Profit	%
Sherwood Park										
Bingo	18	202	–	$ 510,018	$ 384,039	75.3	$ 74,674	14.6	$ 51,305	10.1
Casino	41	82	$ 9,800	2,514,377	2,044,054	81.3	367,306	14.6	103,017	4.1
Pull-Ticket	3	3	2,750	272,504	200,400	73.5	16,228	6.0	55,876	20.5
Raffle	43	109	–	590,028	326,022	55.3	86,087	14.6	177,919	30.1
TOTAL	**105**	**396**	**$ 12,550**	**$ 3,886,927**	**$ 2,954,515**	**76.0**	**$ 544,295**	**14.0**	**$ 388,117**	**10.0**
All Other										
Bingo	1,109	18,801	–	$ 44,632,421	$ 32,290,041	72.4	$ 4,480,554	10.0	$ 7,861,826	17.6
Casino	62	104	$ 9,740	795,905	565,378	71.0	164,621	20.7	65,906	8.3
Pull-Ticket	552	552	404,951	39,954,995	29,450,328	73.7	2,279,917	5.7	8,224,750	20.6
Raffle	1,968	4,191	50	6,968,346	2,955,088	42.4	781,863	11.2	3,231,395	46.4
TOTAL	**3,691**	**23,648**	**$ 414,741**	**$ 92,351,667**	**$ 65,260,835**	**70.7**	**$ 7,706,955**	**8.3**	**$19,383,877**	**21.0**

Breakdown by Major Centres 1987
All Licenced Gaming

AREA	Licences No.	%	Events No.	%	Licence Fees* $	%	Gross $	%	Prize Winnings $	%	Expenses $	%	Net Profit $	%
Calgary	1,036	14.8	11,451	21.1	457,259	32.3	141,914,433	32.5	106,303,744	33.2	14,934,331	33.8	20,676,358	28.7
Edmonton	1,417	20.3	11,221	20.7	296,183	20.9	137,566,167	31.5	101,167,325	31.5	14,876,931	33.6	21,521,911	29.9
Ft. Murray	91	1.3	659	1.2	33,919	2.4	6,046,330	1.4	4,581,857	1.4	467,020	1.1	997,453	1.4
Gr. Prairie	125	1.8	1,549	2.9	16,542	1.2	7,606,041	1.7	5,366,164	1.7	843,030	1.9	1,396,847	1.9
Lethbridge	139	2.0	1,153	2.1	67,380	4.8	16,279,054	3.7	11,540,049	3.6	1,611,253	3.6	3,127,752	4.3
Med. Hat	135	1.9	1,320	2.4	51,216	3.6	10,852,681	2.5	8,074,783	2.5	1,087,259	2.5	1,690,639	2.4
Red Deer	154	2.2	1,733	3.2	51,755	3.6	13,474,187	3.1	10,181,159	3.2	1,233,190	2.8	2,059,838	2.9
St. Albert	96	1.4	1,096	2.0	14,870	1.0	6,991,697	1.6	5,235,815	1.6	942,496	2.1	813,386	1.1
Sherwood Pk.	105	1.5	396	.8	12,550	.9	3,886,927	.9	2,954,515	.9	544,295	1.2	388,117	.5
All Other	3,691	52.8	23,648	43.6	414,741	29.3	92,351,667	21.1	65,260,835	20.4	7,706,955	17.4	19,383,877	26.9
TOTAL	**6,989**	**100.0**	**54,226**	**100.0**	**1,416,415**	**100.0**	**436,969,184**	**100.0**	**320,666,246**	**100.0**	**44,246,760**	**100.0**	**72,056,178**	**100.0**

Bingos

AREA	Licences No.	%	Events No.	%	Licence Fees* $	%	Gross $	%	Prize Winnings $	%	Expenses $	%	Net Profit $	%
Calgary	328	13.7	9,507	22.0	1,100	100.0	55,618,451	28.0	41,759,938	28.8	7,325,021	30.3	6,533,492	22.5
Edmonton	690	28.8	9,441	21.9	–	–	67,373,527	34.0	48,400,797	33.3	8,912,595	36.8	10,060,135	34.7
Ft. Murray	9	.4	529	1.2	–	–	1,938,559	1.0	1,436,924	1.0	166,105	.7	335,530	1.1
Gr. Prairie	63	2.6	1,018	2.3	–	–	5,618,905	2.8	3,959,028	2.7	676,220	2.8	983,657	3.4
Lethbridge	51	2.1	1,021	2.3	–	–	8,644,593	4.3	5,881,859	4.0	970,207	4.0	1,792,527	6.2
Med. Hat	41	1.7	1,075	2.5	–	–	4,346,237	2.2	3,434,172	2.4	499,368	2.0	412,697	1.4
Red Deer	69	2.8	1,137	2.7	–	–	7,756,797	3.9	6,086,694	4.2	818,069	3.4	852,034	2.9
St. Albert	18	.8	457	1.1	–	–	1,977,828	1.0	1,547,471	1.1	285,790	1.2	144,567	.5
Sherwood Pk.	18	.8	202	.5	–	–	510,018	.3	384,039	.3	74,674	.3	51,305	.2
All Other	1,109	46.3	18,801	43.5	–	–	44,632,421	22.5	32,290,041	22.2	4,480,554	18.5	7,861,826	27.1
TOTAL	**2,396**	**100.0**	**43,188**	**100.0**	**1,100**	**100.0**	**198,417,336**	**100.0**	**145,180,963**	**100.0**	**24,208,603**	**100.0**	**29,027,770**	**100.0**

*For fairs and exhibition boards only.

Casinos

AREA	Licences No.	%	Events No.	%	Licence Fees* $	%	Gross $	%	Prize Winnings $	%	Expenses $	%	Net Profit $	%
Calgary	194	31.8	395	32.1	155,650	42.4	52,158,896	45.7	41,362,460	45.9	4,824,294	45.7	5,972,142	44.5
Edmonton	192	31.4	391	31.8	144,040	39.2	49,119,730	43.0	38,787,506	43.0	3,875,438	36.7	6,456,786	48.2
Ft. Murray	27	4.4	55	4.5	5,805	1.6	1,196,848	1.1	946,089	1.1	157,342	1.5	93,417	.7
Gr. Prairie	7	1.2	14	1.1	1,670	.4	272,251	.2	215,528	.2	38,257	.4	18,466	.1
Lethbridge	17	2.8	38	3.1	10,390	2.8	1,713,033	1.5	1,347,166	1.5	262,579	2.5	103,288	.8
Med. Hat	24	3.9	52	4.2	10,880	2.9	1,947,649	1.7	1,477,179	1.6	292,003	2.8	178,467	1.3
Red Deer	7	1.2	18	1.5	6,270	1.7	650,265	.6	494,668	.5	103,122	1.0	52,475	.4
St. Albert	40	6.6	81	6.6	13,080	3.6	3,769,679	3.3	2,941,849	3.3	462,048	4.4	365,782	2.7
Sherwood Pk.	41	6.6	82	6.6	9,800	2.7	2,514,377	2.2	2,044,054	2.3	367,306	3.5	103,017	.8
All Other	62	10.1	104	8.5	9,740	2.7	795,905	.7	565,378	.6	164,621	1.5	65,906	.5
TOTAL	**611**	**100.0**	**1,230**	**100.0**	**367,325**	**100.0**	**114,138,633**	**100.0**	**90,181,877**	**100.0**	**10,547,010**	**100.0**	**13,409,746**	**100.0**

*For casino, "gross" equals "drop" – the total of money to purchase chips.

Pull-Tickets

AREA	Licences No.	%	Events No.	%	Licence Fees* $	%	Gross $	%	Prize Winnings $	%	Expenses $	%	Net Profit $	%
Calgary	174	20.7	174	20.7	288,909	28.2	28,823,244	28.3	21,092,739	28.1	1,701,069	28.5	6,029,436	28.9
Edmonton	50	6.0	50	6.0	142,643	13.9	14,246,988	14.0	10,543,343	14.0	859,839	14.4	2,843,806	13.6
Ft. Murray	9	1.1	9	1.1	28,114	2.7	2,809,023	2.7	2,163,040	2.9	137,199	2.3	508,784	2.4
Gr. Prairie	8	.9	8	.9	14,872	1.5	1,482,696	1.5	1,093,348	1.5	85,339	1.4	304,009	1.5
Lethbridge	13	1.5	13	1.5	56,590	5.5	5,641,628	5.5	4,203,220	5.6	358,075	6.0	1,080,333	5.2
Med. Hat	13	1.5	13	1.5	39,286	3.8	3,931,714	3.8	2,859,784	3.8	264,928	4.4	807,002	3.9
Red Deer	14	1.7	14	1.7	45,485	4.4	4,549,762	4.5	3,333,424	4.4	265,950	4.4	950,388	4.5
St. Albert	4	.5	4	.5	1,790	.2	171,881	.2	126,760	.2	10,297	.2	34,824	.2
Sherwood Pk.	3	.4	3	.4	2,750	.3	272,504	.3	200,400	.3	16,228	.3	55,876	.3
All Other	552	65.7	552	65.7	404,951	39.5	39,954,995	39.2	29,450,328	39.2	2,279,917	38.1	8,224,750	39.5
TOTAL	**840**	**100.0**	**840**	**100.0**	**1,025,390**	**100.0**	**101,884,435**	**100.0**	**75,066,386**	**100.0**	**5,978,841**	**100.0**	**20,839,208**	**100.0**

Raffles

AREA	Licences No.	%	Events No.	%	Licence Fees* $	%	Gross $	%	Prize Winnings $	%	Expenses $	%	Net Profit $	%
Calgary	340	10.8	1,375	15.3	11,600	51.3	5,313,842	23.6	2,088,607	20.4	1,083,947	30.9	2,141,288	24.4
Edmonton	485	15.4	1,339	14.9	9,500	42.0	6,825,922	30.3	3,435,679	33.5	1,229,059	35.0	2,161,184	24.6
Ft. Murray	46	1.5	66	.8	–	–	101,900	.5	35,804	.3	6,374	.2	59,722	.7
Gr. Prairie	47	1.5	509	5.7	–	–	232,189	1.0	98,260	1.0	43,214	1.2	90,715	1.0
Lethbridge	58	1.8	81	.9	400	1.8	279,800	1.2	107,804	1.1	20,392	.6	151,604	1.7
Med. Hat	57	1.8	180	2.0	1,050	4.7	627,081	2.8	303,648	3.0	30,960	.9	292,473	3.4
Red Deer	64	2.0	564	6.3	–	–	517,363	2.3	266,373	2.6	46,049	1.3	204,941	2.3
St. Albert	34	1.1	554	6.2	–	–	1,072,309	4.8	619,735	6.0	184,361	5.2	268,213	3.1
Sherwood Pk.	43	1.4	109	1.2	–	–	590,028	2.6	326,022	3.2	86,087	2.4	177,919	2.0
All Other	1,968	62.7	4,191	46.7	50	.2	6,968,346	30.9	2,955,088	28.9	781,863	22.3	3,231,395	36.8
TOTAL	**3,142**	**100.0**	**8,968**	**100.0**	**22,600**	**100.0**	**22,528,780**	**100.0**	**10,237,020**	**100.0**	**3,512,306**	**100.0**	**8,779,454**	**100.0**

*For fairs and exhibition boards only.

Appendix A

Excerpts from the Criminal Code, Part V, Section 190

"190. (1) Notwithstanding any of the provisions of this Part relating to gaming and betting, it is lawful....

(b) for a charitable or religious organization, pursuant to a licence issued by the Lieutenant Governor in Council of a province or by such other person or authority in the province as may be specified by the Lieutenant Governor in Council thereof, to conduct and manage a lottery scheme in that province if the proceeds from the lottery scheme are used for a charitable or religious object or purpose;

(c) for the board of a fair or of an exhibition or an operator of a concession leased by that board, to conduct and manage a lottery scheme in a province where the Lieutenant Governor in Council of a province or by such other person or authority in the province as may be specified by the Lieutenant Governor in Council thereof has

(i) designated that fair or exhibition as a fair or exhibition where a lottery scheme may be conducted and managed, and

(ii) issued a licence for the conduct and management of a lottery scheme to that board or operator;

(d) for any person, pursuant to a licence issued by the Lieutenant Governor in Council of a province or by such other person or authority in the province as may be specified by the Lieutenant Governor in Council thereof, to conduct and manage a lottery scheme at a public place of amusement in the province if

(i) the amount or value of each prize awarded does not exceed five hundred dollars, and

(ii) the money or other valuable consideration paid to secure a chance to win a prize does not exceed two dollars;....

(f) for any person, pursuant to a licence issued by the Lieutenant Governor in Council of a province or by such other person or authority in the province as may be specified by the Lieutenant Governor in Council thereof, to conduct and manage in the province a lottery scheme that is authorized to be conducted and managed in one or more other provinces where the authority by which the lottery scheme was first authorized to be conducted and managed consents thereto;

(g) for any person, for the purpose of a lottery scheme that is lawful in a province under any of paragraphs (a) to (f), to do anything in the province, in accordance with the applicable law or licence, that is required for the conduct, management or operation of the lottery scheme or for the person to participate in the scheme; and

(h) for any person to make or print anywhere in Canada or to cause to be made or printed anywhere in Canada anything relating to gaming and betting that is to be used in a place where it is or would, if certain conditions provided by law are met, be lawful to use such a thing, or to send, transmit, mail, ship, deliver or allow to be sent, transmitted, mailed, shipped, or delivered or to accept for carriage or transport or convey any such thing where the destination thereof is such a place.

(2) Subject to this Act, a licence issued by or under the authority of the Lieutenant Governor in Council of a province as described in paragraph (1)(b), (c), (d) or (f) may contain such terms and conditions relating to the conduct, management and operation of or participation in the lottery scheme to which the licence relates as the Lieutenant Governor in Council of that province, the person or authority in the province designated by him or any law enacted by the legislature of that province may prescribe.

(3) Every one who, for the purposes of a lottery scheme, does anything that is not authorized by or pursuant to a provision of this section

(a) in the case of the conduct, management or operation of that lottery scheme,

(i) is guilty of an indictable offence and liable to imprisonment for a term not exceeding two years, or

(ii) is guilty of an offence punishable on summary conviction; or

(b) in the case of participating in that lottery scheme, is guilty of an offence punishable on summary conviction.

(4) In this section, "lottery scheme" means a game or any proposal, scheme, plan, means, device, contrivance or operation described in any of paragraphs 189(1)(a) to (g) whether or not it involves betting, pool selling, or a pool system of betting other than

(a) a dice game, three-card monte, punch board or coin table;

(b) bookmaking, pool selling or the making or recording of bets, including bets made through the agency of a pool or pari-mutuel system, on any race or fight, or on a single sport event or athletic contest; or

(c) for the purposes of paragraphs (1)(b) to (f), a game or proposal, scheme, plan, means, device, contrivance or operation described in any of paragraphs 189(1)(a) to (g) that is operated on or through a computer, video device or slot machine, within the meaning of subsection 180(3).

(5) For greater certainty, nothing in this section shall be construed as authorizing the making or recording of bets on horse races through the agency of a pari-mutuel system other than in accordance with section 188...."

Appendix B

Alberta Gaming Commission Licencing Policy Guideline (The Alberta Gazette, May 15, 1981)

1(1) In this guideline

(a) "Commission" means the Alberta Gaming Commission;

(b) "fair" means an agricultural fair or exhibition;

(c) "Gaming Control Branch" means the Gaming Control Branch of the Department of the Attorney General;

(d) "lottery scheme" includes bingos, raffles, pull-ticket lotteries and casino games;

(e) "organization" means a charitable or religious organization;

(f) "prescribed" means prescribed by the Commission.

(2) An organization or fair wishing to conduct a lottery scheme shall submit an Application in the prescribed form to the Commission.

(3) The Commission shall forward the Application to the Gaming Control Branch and an employee in the Gaming Control Branch designated by the Chief Inspector of the Branch shall, on receipt of the Application, review the Application, and, if he considers it necessary, conduct an investigation regarding the advisability of issuing a Licence and make a recommendation and report in that regard to the Commission.

(4) The Commission, on receiving a recommendation and report and on reviewing the Application shall

(a) issue the Licence, and may make the Licence subject to any terms and conditions it considered appropriate, or

(b) if it appears to the Commission that there is cause for concern as to whether a Licence should be issued, set a date for hearing on the matter.

(5) The Commission may, before acting under subsection (4) request other information from the Gaming Control Branch and the applicant.

(6) The Commission shall give notice in writing of the hearing to the Gaming Control Branch and the applicant and the notice shall

(a) set out with sufficient clarity the basis on which the Commission feels there is cause for concern as to whether the applicant should be issued a Licence, and

(b) set out the time and place for the hearing.

(7) Notice of the hearing shall be served on the applicant and the Gaming Control Branch either personally or by certified mail addressed to the applicant or the Gaming Control Branch at the address shown on the Application.

(8) At the hearing the employee in the Gaming Control Branch referred to in subsection (3) and the applicant are entitled to

(a) be present,

(b) make representations in respect of the Application orally and in writing, and

(c) be represented by counsel.

(9) A hearing shall be open to the public unless the Commission feels that it is advisable that all or part of the hearing be held in camera, in which case it may so direct.

(10) After considering the representations of the parties and any other evidence it considers appropriate the Commission shall

(a) issue the Licence, and may make the Licence subject to any terms and conditions it considers appropriate, or

(b) refuse to issue the Licence.

(11) If the Commission refuses to issue the Licence it shall give written reasons for doing so and serve those reasons on the applicant and the Gaming Control Branch in the manner provided in subsection (7).

(12) A Licence issued by the Commission is subject to the terms and conditions on it or attached to and forming part of it, and to any further terms and conditions made by the Commission from time to time.

2(1) No Licence fee is payable in respect of a Bingo Licence or a Raffle Licence.

(2) The licence fee payable in respect of

(a) a Pull Ticket Licence is an amount equal to one per cent of the product of the estimated number of units times the gross revenue per unit,

(b) a Casino Licence issued to an organization is an amount equal to the product of $10 times the number of games times the number of days the Casino operates, and

(c) a Casino Licence issued to a fair is an amount equal to the product of $25 times the number of games times the number of days the Casino operates.

Appendix C

Summary of Commission Hearings

	1985	1986	1987
TOTAL CASES HEARD	164	163	143
Written decisions issued	160	158	137
Decisions deferred	4	5	6
Applications withdrawn prior to hearing	7	5	12
TYPES OF ISSUES HEARD AT HEARING			
Charitable eligibility of organization	79	64	63
Suitable use of gaming proceeds	43	52	30
Casino eligibility concerning related organizations	21	19	17
Issues related to terms and conditions of licence	25	21	25
Review of large ticket-value raffles prior to licencing	2	3	–
Review of proposed bingo associations	5	15	9
Issues related to registration status of hired casino personnel	6	1	2
TOTAL*	**181**	**175**	**146**

*Not equal to "total cases heard", as each case may involve more than one issue.

HEARING DECISIONS REGARDING LICENCES			
Applications approved for licencing			
Bingo	114	270	108
Casino	24	24	19
Pull-Ticket	3	6	4
Raffle	16	12	10
TOTAL	**157**	**312**	**141**
Applications not approved for licencing			
Bingo	13	17	31
Casino	26	16	16
Pull-Ticket	6	3	4
Raffle	19	18	19
TOTAL	**64**	**54**	**70**